
By: **Delegates Pendergrass, Barkley, Barve, Bobo, Bozman, Conroy, Doory,
Dumais, Franchot, Goldwater, Harrison, Hubbard, Krysiak, Lee, Love,
Menes, Nathan-Pulliam, Oaks, Paige, Sophocleus, and F. Turner**

Introduced and read first time: February 7, 2003
Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Preferred Provider Organizations - Payments to Nonpreferred Providers -**
3 **Emergency Services**

4 FOR the purpose of requiring a certain insurer to pay a certain provider at a certain
5 rate for certain services provided in a hospital emergency room; and generally
6 relating to preferred provider organization payments.

7 BY repealing and reenacting, with amendments,
8 Article - Insurance
9 Section 14-205(b)
10 Annotated Code of Maryland
11 (2002 Replacement Volume and 2002 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Insurance**

15 14-205.

16 (b) (1) A preferred provider insurance policy offered by an insurer under this
17 subtitle shall provide for payment of services rendered by nonpreferred providers as
18 provided in this subsection.

19 (2) Unless the insurer demonstrates to the satisfaction of the
20 Commissioner that an alternative level of payment is more appropriate, aggregate
21 payments made in a full calendar year to nonpreferred providers, after all deductible
22 and copayment provisions have been applied, on average may not be less than 80% of
23 the aggregate payments made in that full calendar year to preferred providers for
24 similar services, in the same geographic area, under their provider service contracts.

25 (3) FOR A COVERED EMERGENCY SERVICE PROVIDED TO AN INSURED
26 OR A SUBSCRIBER IN A HOSPITAL EMERGENCY ROOM, AN INSURER SHALL PAY A

1 NONPREFERRED PROVIDER AT 125% OF THE RATE THE INSURER PAYS IN THE SAME
2 GEOGRAPHIC AREA, AS PUBLISHED BY THE CENTERS FOR MEDICARE AND MEDICAID
3 SERVICES, FOR THE SAME COVERED EMERGENCY SERVICE, TO A SIMILARLY
4 LICENSED PREFERRED PROVIDER OF THE INSURER.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2003.